BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

Opinions Below.

The opinion of District Judge Vincent L. Leibell is reported in 28 F. Supp. 787.

The opinion of the Circuit Court of Appeals is reported in 114 F. (2d) 86.

Jurisdiction: The grounds upon which the jurisdiction of this Court is invoked are set forth in the petition, page 5, *supra*.

Statement: A statement of the case containing matters material to consideration of the questions presented appears in the petition, page 1, *supra*.

Specification of Errors.

The Circuit Court of Appeals erred:

1. In holding that common law property rights in musical renditions inscribed on phonograph records can be lost by publication.

2. In holding that sale of phonograph records constitutes publication of the musical renditions inscribed thereon.

3. In holding that sale of phonograph records bearing restrictive notices against their use for broadcasting or other commercial purposes constitutes publication of the musical renditions inscribed thereon.

4. In holding that restrictive notices against broadcasting or other commercial uses appearing on phonograph records are unreasonable and unenforceable

against purchasers of the records having knowledge of the restrictions.

5. In holding that the unauthorized broadcast of phonograph records of musical renditions does not constitute unfair competition with the performing artist who himself engages in radio broadcasting.

6. In failing to hold that use of a performing artist's name in connection with the unauthorized broadcast of phonograph records of his musical renditions constitutes unfair competition with him and an unlawful appropriation of his goodwill and property in his name.

7. In failing to hold that petitioner's common law property rights in his renditions did not pass to RCAM under the 1924 and 1931 contracts.

8. In failing to hold that petitioner alone is entitled to injunctive relief against W. B. O. and Elin.

9. In failing to grant petitioner an injunction against W. B. O. and Elin, having held: "insofar as radio announcers declare, directly or indirectly, that the broadcast of a Whiteman record is the broadcast of a Whiteman performance, that conduct is a tort which Whiteman could enjoin. That would indeed be unfair competition" (R. 471).

Summary of the Argument.

I. Petitioner has common law property rights in his recorded musical renditions, enabling him to control their use for broadcasting or other commercial purposes.

II. His rights were not lost upon sale of the records because: (A) the restrictive notices on the records qualified their permissible use and so prevented publication; (B) the very nature of the phonograph record indicates the limited form of its publication: it is intended for listeners at a phonograph, not for radio audiences; (C) dissemination of his records for use by the public does not legally justify commercial use by competitors; (D) recorded renditions cannot be "published" since they are not copyrightable under the Copyright Act; (E) dissemination of a performance, as by radio, is not publication; nor is sale of records, which is dissemination of a performance in tangible, marketable form.

III. The use restrictions on the records are "reasonable", and so enforceable as valid equitable servitudes.

IV. The broadcast of petitioner's records constituted unfair competition with him.

V. Petitioner has goodwill and property rights in his and his orchestra's names which are violated by their use in connection with broadcasts of records—a form of unfair competition.

VI. Petitioner is entitled to equitable relief against the respondents who were respectively the plaintiff and his co-defendants in the District Court.

POINT I.

Petitioner has common law property rights in interpretive musical renditions of his orchestra.

Petitioner's common law property right in his musical renditions was recognized by the District Court (R. 433) and conceded by respondent RCAM (R. 442-3). The Circuit Court's opinion proceeded on the expressed assumption of this right (R. 465).

This is the generic right accorded those who create "products of mental labor" and exists in their intellectual and artistic productions. *Palmer* v. *De Witt,* 47 N. Y. 532 (1872); *Aronson* v. *Baker,* 43 N. J. Eq. 365, 367 (1887). Having developed in a dynamic society of invention and culture, it has continually enlarged its scope to include new species of works, new subjects of protection.

This right was first enunciated in *Fred Waring* v. *WDAS Broadcasting Station,* 327 Pa. 433, 194 Atl. 631 (1937) hereinafter cited as the *Waring* case; followed by *Waring* v. *Dunlea,* 26 F. Supp. 338 (D. C. E. D. N. C. 1939). Mr. Justice Stern in the *Waring* case, at pages 440, 441, expressed it as follows:

> "The law has never considered it necessary for the establishment of property rights in intellectual or artistic productions that the entire ultimate product should be the work of a single creator; such rights may be acquired by one who perfects the original work or substantially adds to it in some manner * * *. A musical composition in itself is an incomplete work; the written page evidences only one of the creative acts which are

> necessary for its enjoyment; it is the performer who must consummate the work by transforming it into sound. If, in so doing, he contributes by his interpretation something of novel intellectual or artistic value, he has undoubtedly participated in the creation of a product in which he is entitled to a right of property, which in no way overlaps or duplicates that of the author in the musical composition."

Literary property, as a legal concept and a legal right, has never been confined to literary creations. The principle of ownership, according to Drone, *Property in Intellectual Productions* (1897) 5, is applied to all labor—whether of the body or mind; "* * * neither in its origin nor in its essential qualities is literary property *sui generis;* but, it is simply a division, a species of general property. It is subject to all the fundamental rules governing the acquisition, possession and transmission of property".

Embodiment of petitioner's renditions in records was not necessary to the existence of this property. "The true test," says Drone (p. 98), "is not whether the thing is corporeal or incorporeal, not whether it is attached to a material substance but whether it is capable of identification, so that exclusive ownership may be asserted. * * * When a composition has not been reduced to writing, it may be more difficult and in some cases impracticable to prove the ownership, and thereby establish a title to ownership. But the manuscript is but a means of proof." And see *International News Service* v. *Associated Press,* 248 U. S. 215, 240.

This right, as indicated, is an intangible right in renditions which need have no corporeal existence.

These renditions may be embodied in physical form, as petitioner's renditions were embodied in phonograph records. Such recordation, however, does not affect the right, which may exist in one person while the tangible record belongs to another (R. 445). *Stephens* v. *Cady*, 55 U. S. 528.

The right is absolute in the sense that the creator of the work may make any use or disposition of it prior to publication. *Holmes* v. *Hurst*, 174 U. S. 82; *Bartlett* v. *Crittendon*, Fed. Cas. No. 1076, 5 McLean 32. He may sell it absolutely or conditionally or he may transfer only a limited interest therein; he may license its use or restrict it in any way he sees fit; he may allow its use in designated territories and forbid it in others. 18 *Corpus Juris Secundum* 147.

POINT II.

Petitioner's common law property rights in his musical renditions were not lost by publication.

Five varying views, all reaching the same conclusion, support the point here made.

A. The View in the *Waring* Case.

This case adopted the position taken in *American Tobacco Co.* v. *Werckmeister*, 207 U. S. 284, which affirmed 146 F. 375 (C. C. A. 2, 1906), publication being such dissemination of the records as would justify the belief that it took place with the intention of rendering them common property. The test is "whether there is or is not such a surrender as permits the absolute and unqualified enjoyment of the subject matter by the public * * *. In determining

whether or not there has been such a publication the courts look partly to the objective character of the dissemination and partly to the proprietor's intent in regard to the relinquishment of his property rights" (327 Pa. at 443).

The restrictive notice in this case was identical with that in the instant case.

The cases relied on involved works performed or exhibited. The Court's orientation in the *Waring* case was obviously induced by the specific nature of the property under consideration—*recorded performances.* The same view was upheld by *Waring* v. *Dunlea, supra,* and by the District Court. Its acceptance is implicit in *Noble* v. *One-Sixty Commonwealth Ave., Inc.,* 19 F. Supp. 671, 672 (D. C. D. Mass. 1937). Sale of petitioner's records did not, by these decisions, constitute publication.

B. The View of the District Court.

The Court below amplified the doctrine declared in the *Waring* case. "The very nature of the phonograph record," it said, "indicates the limited form of its publication. It was intended for listeners at a phonograph, not for a radio audience" (R. 446). Restrictive notice, therefore, is not required: the record itself bespeaks its notice.

C. The View in the *Associated Press* Case.

International News Service v. *Associated Press,* 248 U. S. 215, 240, 241, speaking of news which had been disseminated in newspapers sold to the public, said:

> "Abandonment is a question of intent, and the entire organization of the Associated Press nega-

tives such a purpose * * * publication by each member must be deemed not by any means an abandonment of the news to the world for any and all purposes, *but a publication for limited purposes: for the benefit of the readers of the bulletin or the newspaper as such; not for the purpose of making merchandise of it as news;* * * *." (Italics supplied.)

D. Drone's View.

Drone, *Property in Intellectual Productions,* 116-120, is exponent of the view that property in artistic productions which are outside the purview of the copyright statutes is perpetual, surviving publication. *Millar* v. *Taylor,* 4 Burr. 2303 (1769) declared common law copyright to be perpetual. The rule was later confirmed by *Donaldson* v. *Becket,* 2 Bro. P. C. 129 (1774), but the common law right was held to be superseded by the Copyright Statute of Queen Anne (8 Anne c. 19 (1709)). The effect of the qualification is this: where a work is copyrightable by statute, protection ceases upon publication. Rights claimed thereafter must exist by virtue of the statute alone. But where, as here, the work is not copyrightable under the statute, the common law right exists even after publication. *Holmes* v. *Hurst,* 174 U. S. 82 interpreted *Wheaton* v. *Peters,* 33 U. S. 591 as holding that common law copyright is superseded by statutory copyright, and as embodying the doctrine of *Donaldson* v. *Becket.*

The Circuit Court's observation that this "logic, if inexorably applied, is overwhelmed by the practical absurdity of the result," since a limited statutory monopoly would be a detriment and "Omission

of property from the Act would be a bonanza to those who possessed property of that kind," (*Fashion Originator's Guild* v. *Federal Trade Commission*, 114 F. (2d) 80, 83) does not seem conclusive. It disregards the historical development of copyright and the practical advantage of statutory protection.

The Booksellers of London, who waged the "Battle of the Books", fought for statutory damages and penalties to fortify an otherwise anemic common law right. Limitation of perpetual copyright to a period of years was the "bonanza" which "society" exacted for granting the much-wanted statutory right. See Birrell, *The Law and History of Copyright in Books* (1899), 91-5, 122.

It is not likely, today, that the proprietor of any copyrightable work: a book, or song, or motion picture, would trade his limited statutory privileges for a common law right running into eternity with injunctions, but without damages or penalties.

E. An Eclectic View of Publication.

The contention that petitioner's rights were not lost by publication is supported by still a further view logically deducible from the authorities: that records of performances, are *sui generis*, being governed by the law of publication as it relates to *performances* of intellectual works.

The cases dealing with publication disclose inconsistencies in doctrine which are irreconcilable. The sale of one book, for example, constitutes publication (*Wheaton* v. *Peters, supra*); broadcasting of a radio script, reaching perhaps millions of listeners, does not (*Uproar Co.* v. *National Broadcasting Co.*, 81 F. (2d) 373 (C. C. A. 1, 1936)). Similarly, the public per-

formance of a dramatic (*Ferris* v. *Frohman*, 223 U. S. 424) or musical work (*McCarthy & Fischer, Inc.* v. *White*, 259 F. 364 (D. C. S. D. N. Y. 1919)); public delivery of a speech or a lecture (*Nutt* v. *National Institute*, 31 F. (2d) 236 (C. C. A. 2, 1929)) is not publication.

There is no parity of reasoning here and the disparity cannot be put down to accident. There was never a good reason for the distinction between literary and other property, nor for the rule holding the one to be forfeited upon publication. Judicial tendency to ameliorate the effects of the original doctrine, by precluding publication where the work is performed, exhibited or represented is thus discernible.

Records are a peculiar type of property which cannot be assimilated to books or other works addressed primarily to ocular perception. They are visually unintelligible. They are in fact a modern method of marketing a musical performance. They give out their contents *only* by audible performances. Public sale of records is no more a publication than the original performance, or a performance mechanically reproduced from records.

Such considerations must have formed the basis of the holdings of the *Waring* case, *Waring* v. *Dunlea* and the District Court. It would otherwise be difficult to explain their reliance on cases dealing with performances, for no question of performances was before them.

This view finds further support in a decision of the Second Circuit: *Universal Film Manufacturing Co.* v. *Copperman*, 218 F. 577, 579, 580 (C. C. A. 2, 1914), affirming 212 F. 301 (D. C. S. D. N. Y.) but on different grounds. Here the Court clearly indi-

cated that sale of motion picture films does not constitute publication:

> "*Sale of positive films after copyright was as consistent with its statutory ownership as was the sale of films before copyright with its common-law ownership.*" (Italics supplied.)

See also:

> *DeMille Co.* v. *Casey,* 121 Misc. 78 (N. Y. 1923).

The cases relied on by the Circuit Court (R. 468) deal with "books", which are in no way comparable to performances or records of performances where "publication" is in question. Cases defining this distinction were cited with approval by the Court below (R. 466).

The view here urged, we submit, rests on law and logic: Musical renditions embodied in phonograph records are not "publishable" short of express intention or abandonment.

POINT III.

The restrictive use notices upon petitioner's records created an enforceable equitable servitude in his favor.

Restrictions on the use of chattels are valid or not according as they are reasonable or unreasonable. A similar restriction in the *Waring* case "was not", the Court said (327 Pa. 433, 447), "unreasonable, nor did it operate in restraint of trade. It was intended to effect a legitimate purpose; indeed, unless such a restriction can be imposed and enforced, it will be impossible for distinguished musicians to

commit their renditions to phonograph records—except possibly for a prohibitive financial compensation—without subjecting themselves to disadvantages and losses which they would inevitably suffer from the use of the records for broadcasting. Such a restriction, therefore, works for the encouragement of art and artists."

Waring v. *Dunlea*, 26 F. Supp. 338, 340 (D. C. E. D. N. C. 1939) held the restriction "of the use of Complainant's interpretation" reasonable and valid, tending "to create value, and develop interest in the arts, instead of interfering with the course of trade * * *."

The Circuit Court admittedly did not "decide" the question of the equitable servitude because it thought there was publication. By way of dictum, however, it observed that if anyone may copy a rendition and use it as he pleases, "it would be the height of unreasonableness to forbid any uses to the owner of the record * * *" (R. 466-7).

This dictum rests on false premises and an inverse definition of reasonableness. It assumes: (1) that there was publication; (2) that anyone was free to copy and use the renditions, notwithstanding that under *Fonotipia* v. *Bradley*, 171 F. 951 (C. C. E. D. N. Y., 1909) and *International News Service* v. *Associated Press*, 248 U. S. 215, that would constitute unfair competition; and (3) that if anyone was free to duplicate and use the renditions, the restriction was, *ipso facto*, invalid. The conclusion would seem to be that once a work is "published", no restriction upon its use can possibly be "reasonable".

These assumptions are dealt with in separate points herein. The conclusion seems spurious. Fully ex-

tended it would negate all equitable servitudes on, say, articles of trade unprotected by copyright. It would dispose of "reasonableness" as a test of validity. This conclusion ignores reasonable benefits flowing, as a result of the restriction, to both the petitioner and the public. It falsely assumes that because anyone can (under the ruling) copy, anyone will. Before such a copy could nullify the effects of the restriction, it must perforce be as good as the original, and as accessible. If it is both of these, it will probably nullify the effect of the restriction without necessity of judicial intervention. Moreover, a restriction against *any* commercial use is certainly a restriction against copying for such use; and the logical extension of the Circuit Court's rationale to this situation would force us to conclude that "a restriction is invalid because it is invalid".

The test announced in the *Waring* case, we think, is the correct one.

Equitable servitudes have found favor in this jurisdiction: *In Re Waterson, Berlin & Snyder* v. *Irving Trust Co.*, 48 F. (2d) 70 (C. C. A. 2, 1931); *Lorillard* v. *Weingarden*, 280 F. 238 (D. C. W. D. N. Y. 1922).

To the same effect see: *Murphy* v. *Christian Press Assoc. Pub. Co.*, 38 App. Div. 426 (N. Y. 1899); *New York Bank Note Co.* v. *Hamilton*, 180 N. Y. 280 (1905); *Montgomery Enterprises* v. *Empire Theatre*, 86 So. 880 (Ala. 1920); *In re Rider*, 16 R. I. 271, 15 A. 72 (1888); *Great Lakes etc. Distributors Co.* v. *Scranton Coal Co.*, 239 F. 603 (C. C. A. 7, 1917); *Oregon Steam Nav. Co.* v. *Winsor*, 20 Wall. 64 (1874); *De Mattos* v. *Gibson*, 4 DeG. & J. 276, 45 Eng. Rep. 108 (1858); *Werderman* v. *Société Générale D'Élec-*

tricité (1881) 19 Ch. D. 246; *Lord Strathcona Steamship Co.* v. *Dominion Coal Co.* (1926), A. C. 108.

The doctrine has had the benefit of discussion and advocacy by able legal commentators: Stone, *The Equitable Rights and Liabilities of Strangers to a Contract* (1918) 18 Col. L. Rev. 291; (1919) 19 Col. L. Rev. 177; Wade, *Restrictions on User* (1928) 44 L. Quar. Rev. 51; Chafee, *Equitable Servitudes on Chattels* (1928) 41 Harv. L. Rev. 945.

POINT IV.

The broadcast of petitioner's records constituted unfair competition with him.

International News Service v. *Associated Press*, 248 U. S. 215, relied on by the *Waring* case, *Waring* v. *Dunlea, supra,* and the District Court is the index to Whiteman's relief on the ground of unfair competition. (Reference is respectfully urged to: *Fonotipia* v. *Bradley,* 171 F. 951, 960-962 (C. C. E. D. N. Y. 1909) and its discussion of the well-known ticker, ticket-scalper and trading-stamp cases. *Associated Press* v. *KVOS,* 80 F. (2d) 575 (C. C. A. 9, 1933); *Uproar Co.* v. *National Broadcasting Co.,* 81 F. (2d) 373 (C. C. A. 1, 1926); *Twentieth Century Sporting Club, Inc.* v. *Transradio Press Service, Inc.,* 165 Misc. 71 (N. Y. 1937).)

Cheney Bros. v. *Doris Silk Corp.,* 35 F. (2d) 279 (C. C. A. 2, 1929) could not, we submit, intend that the *Associated Press* case should be imprisoned within its own special facts. *Reichelderfer* v. *Quinn,* 287 U. S. 315, 319 has indicated that "some imperative

justification in policy will lead the courts to recognize in old values new property rights." If the protection of news is such a policy, so also is the protection of the art of interpreting music. It may be that the *Associated Press* case did not mean to lay down a general principle, but we do not think it intended to establish a class doctrine. We take its basic policy to represent that social imperatives make legal imperatives. The public's interest in its musical art and artists is as urgent a social imperative as its interest in news and news-gatherers.

It is a peculiar anomaly which would restrict the benediction of *International News* v. *Associated Press* to news, in the light of *Fonotipia* v. *Bradley, supra*, which is generally considered to have foreshadowed that case. (The *Fonotipia* case branded as unfair competition the manufacture of records from matrices "dubbed" from the plaintiff's records.)

POINT V.

Use of petitioner's and his orchestra's names in connection with the broadcast violated petitioner's goodwill and property therein.

The District Court found that "Defendant Whiteman through the application of his talents and large expenditures of money, has created good will of considerable value in his name and in his personality" (R. 414).

W. B. O.'s announcer, called by RCAM, testified "My program is based on artists' names and not the fact they are Victor, Brunswick or Decca records" (R. 123), and the Court so found (R. 428).

Petitioner's rights in his own and his orchestra's names are rights of a pecuniary nature which partake of the elements of property rights and are entitled to the protection of a court of equity. *Uproar Co.* v. *National Broadcasting Co.*, 8 F. Supp. 358; affirmed 81 F. (2d) 373 (C. C. A. 1, 1926); *Old Dearborn Distributing Co.* v. *Seagram Distillers Corp.*, 299 U. S. 183.

POINT VI.

Petitioner is entitled to equitable relief against the respondents.

A. Petitioner's Relief Against the Plaintiff in the Action.

Issue having been joined prior to September 17th, 1938, old Equity Rule 30 governs, as conceded by RCAM and W. B. O. in their briefs below. This rule allowed a cross-claim without necessity of a cross-bill. *Moore* v. *N. Y. Cotton Exchange*, 270 U. S. 593; *Meinecke* v. *Eagle Druggists Supply Co., Inc.*, 19 F. Supp. 523 (D. C. S. D. N. Y., 1937); *Kaumagraph Co.* v. *General Trade Mark Corp.*, 12 F. Supp. 230 (D. C. S. D. N. Y., 1935).

That Equity will grant relief under a general prayer is well established: *Automotive Products Corp.* v. *Wolverine Bumper & Specialty Co.*, 15 F. (2d) 745 (C. C. A. 6, 1926); *Porto Rico Citrus Fruit* v. *Kohn*, 20 F. (2d) 705 (C. C. A. 1, 1927).

Petitioner's Answer, however, is more than merely "defensive". It contains *specific and general prayers for relief*. Paragraphs 15, 16 and 18 of the Answer and the concluding prayers (R. 19-20) evidence his hostile claim.

B. Petitioner's Relief Against His Co-Defendants in the Action.

In equity a defendant is entitled to affirmative relief against his co-defendants without necessity of any pleadings between them. *Corcoran* v. *Chesapeake & Ohio Canal Co.*, 94 U. S. 741, 744; *Louis* v. *Brown Township*, 109 U. S. 162. *Jones* v. *Grant*, 10 Paige (N. Y. 1843) 348, states the principle: "It is the constant practice of the court to make a decree between co-defendants, according to the justice and equity of the case, founded upon the pleadings and proofs between the complainant and such defendants; and such was the decision in the case of *Chamley* v. *Lord Dunsany*, 2 Sch. & Lef. Rep. 718."

In *Chamley* v. *Lord Dunsany*, *supra*, the leading case, Lord Eldon stated the view as follows:

> "* * * where a case is made out between defendants by evidence arising from pleadings and proofs between plaintiffs and defendants, a court of equity is entitled to make a decree between the defendants. Further, my lords, a court of equity is bound to do so. The defendant chargeable has a right to insist that he shall not be liable to be made a defendant in another suit for the same matter that may there be decided between him and his co-defendant. And the co-defendant may insist that he shall not be obliged to institute another suit for a matter that may be there adjusted between the defendants."

To the same effect: *Derham* v. *Lee*, 87 N. Y. 599 (1882); *Albany City Savings Institution* v. *Burdick*, 87 N. Y. 40 (1881); and 10 R. C. L. 558, Sec. 342.

CONCLUSION.

It is therefore respectfully submitted that a writ of certiorari should be granted in this case.

Respectfully submitted,

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